

**CITY OF CLIVE**

**INDEPENDENT AUDITOR'S REPORTS**  
**BASIC FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FINDINGS**

**June 30, 2011**

# CITY OF CLIVE

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## CITY OF CLIVE

### CITY OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Scott Cirksena. ....	Mayor.....	Dec 2013
John Edwards.....	Council Member.....	Dec 2011
Paul Leighton.....	Council Member..... (Resigned 6-30-11)	Dec 2013
Steven Brody. ....	Council Member.....	Dec 2011
Eric Klein.....	Council Member.....	Dec 2013
Ted Weaver. ....	Council Member..... (Started 7-22-10)	Dec 2011
Dennis Henderson. ....	Manager. ....	Indefinite
Pamela Blessman.....	Clerk/Treasurer. ....	Indefinite
James Wine. ....	Attorney. ....	Indefinite
Jill Stevenson.....	Assistant Attorney. ....	Indefinite
Kristina Stanger.....	Prosecutor.....	Indefinite

## **City of Clive**



## MARTENS & COMPANY, CPA, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
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West Des Moines, Iowa 50266

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FAX: (515)-223-0851

### **Independent Auditor's Report**

To the Honorable Mayor and  
Members of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Clive, Iowa as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Clive's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Clive at June 30, 2011, and the respective changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2011 on our consideration of the City of Clive's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 7 through 13 and 40 through 42 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Clive's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the eight years ended June 30, 2010 (none of which are presented herein) and expressed unqualified opinions on those financial statements which were prepared in conformity with an other comprehensive basis of accounting. The supplementary information included in Schedules 1 through 7 including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Martens + Company, CPA, LLP*

West Des Moines, Iowa  
December 8, 2011

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The City of Clive provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2011. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

### FINANCIAL HIGHLIGHTS

- The City's governmental activities' receipts decreased 17%, or approximately \$5,627,000, from fiscal year 2010 (FY10). Property tax increased approximately \$417,000 and bond proceeds decreased \$6,947,000.
- Disbursements of the City's governmental activities increased 3.5%, or approximately \$981,000, from FY10. Public works, Debt service and Public safety disbursements increased approximately \$163,000, \$540,000 and \$911,000, respectively.
- The City's total cash basis net assets at June 30, 2011 increased 5.7%, or approximately \$1,660,000, from June 30, 2010. Of this amount, the assets of the governmental activities increased approximately \$1,087,000 and the assets of the business type activities increased by approximately \$573,000.

### USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements as well as other requirements as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the government's financial activities.

The Government-wide Financial Statements consists of a statement of activities and net assets. This statement provides information about the activities of the City as a whole and presents an overall view of the City's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide statement by providing information about the most significant funds.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Required supplementary information further explains and supports the financial statements with a comparison of the City's budget for the year.

Other supplementary information provides detail in information about the nonmajor governmental and proprietary funds, and the Schedule of Capital Projects provides information about the various projects of the City. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefitting the City.

## **BASIS OF ACCOUNTING**

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

## **REPORTING THE CITY'S FINANCIAL ACTIVITIES**

### *Government-wide Financial Statement*

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Activities and Net Assets reports information which helps answer this question.

The Statement of Activities and Net Assets presents the City's net assets. Over time, increases or decreases in the City's net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities and Net Assets is divided into two kinds of activities:

- Governmental Activities include public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service and capital projects. Property tax and state and federal grants finance most of these activities.
- Business Type Activities include the waterworks and the sanitary sewer system. These activities are financed primarily by user charges.

### *Fund Financial Statements*

The fund financial statements begin on page 16 and provide detailed information about individual, significant funds; not the City as a whole. Some funds are required to be established by State law and by bond covenants. The City can establish other funds to help it control and manage money for particular purposes.

The City has three kinds of funds:

1) Governmental funds account for most of the City's basic services. They focus on how money flows into and out of the funds and the balances at year-end that are available for spending. Governmental funds include: 1) the General Fund, 2) the Special Revenue Funds such as Road Use Tax and Urban Renewal Tax Increment, 3) the Debt Service Fund and 4) the Capital Projects Fund. The government fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

The required financial statements for Governmental funds include a Statement of Cash Receipts, Disbursements and Changes in Cash Balances.



2) Proprietary funds account for the City's Enterprise Funds and for the Internal Service Fund. Enterprise Funds are used to report business type activities. The City maintains four Enterprise Funds to provide separate information which include the water and sewer funds, considered to be major funds of the City. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

The required financial statements for proprietary funds include a statement of cash receipts, disbursements and changes in cash balances.

3) Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources are not available to support the City's own programs. The City of Clive has only agency funds to report within the Fiduciary Fund category.

Reconciliations between the government-wide statements and the fund financial statements follow the fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of financial position. The City's cash balance for governmental activities increased from a year ago, increasing from \$25.69 million to \$26.77 million. The analysis that follows focuses on the changes in cash balances.

Changes in Cash Basis Net Assets of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2011	2010
Receipts:		
Program receipts:		
Charges for service	\$ 2,897	\$ 2,478
Operating grants, contributions and restricted interest	1,535	1,491
Capital grants, contributions and restricted interest	2,367	2,399
General receipts:		
Property tax	14,663	14,246
Other City taxes	799	780
Unrestricted investment earnings	57	98
Bond proceeds	4,982	11,860
Other general receipts	729	304
Total receipts	28,029	33,656
Disbursements:		
Public safety	6,242	5,331
Public works	2,822	2,659
Health and social services	14	15
Culture and recreation	3,344	3,231
Community and economic development	2,598	2,546
General government	2,026	2,020
Debt service	5,895	5,355
Capital projects	6,278	7,081
Total disbursements	29,219	28,238
Change in cash basis net assets before transfers	(1,190)	5,418
Transfers, net	2,277	2,186

Change in cash basis net assets	1,087	7,604
Cash basis net assets beginning of year	<u>25,687</u>	<u>18,083</u>
Cash basis net assets end of year	<u>\$ 26,774</u>	<u>\$ 25,687</u>

The City's total receipts for governmental activities decreased by approximately 17 percent or \$5,627,000. The total cost of all programs and services increased by approximately \$981,000 or 3.5 percent with no new programs added this year. The decrease in receipts was primarily due to a decrease in general obligation bonds issued (\$6,878,000).

Based on increases in the total assessed valuation and expanded tax increment finance districts, property tax receipts are budgeted to increase by an estimated \$284,652 next year.

The cost of all governmental activities this year was \$29.22 million compared to \$28.24 million last year. However, as shown in the statement of activities and net assets on pages 16 and 17, the amount that our taxpayers ultimately financed for these activities through City taxes was only \$22.42 million because some of the cost was paid by those directly benefited from the programs (\$2,897,000) or by other governments and organizations that subsidized certain programs with grants and contributions (\$3,902,000). Overall, the City's governmental program receipts, including intergovernmental aid and fees for service, increased in 2011 from approximately \$6,368,000 to approximately \$6,799,000, principally due to an increase in charges for services. The City paid for the remaining public benefit portion of governmental activities with approximately \$15,462,000 in tax (some of which could only be used for certain programs) and with other receipts, such as interest and general entitlements.

Changes in Cash Basis Net Assets of Business Type Activities (Expressed in Thousands)		
	Year ended June 30,	
	2011	2010
Receipts:		
Program receipts:		
Charges for service:		
Water	\$ 3,734	\$ 3,236
Sewer	2,097	2,009
Other	700	557
General receipts:		
Other general receipts	<u>107</u>	<u>107</u>
Total receipts	<u>6,638</u>	<u>5,909</u>
Disbursements:		
Water	1,822	1,753
Sewer	1,684	1,553
Other	<u>282</u>	<u>292</u>
Total disbursements	<u>3,788</u>	<u>3,598</u>
Change in cash basis net assets, before transfers	2,850	2,311
Transfers, net	<u>(2,277)</u>	<u>(2,186)</u>
Change in cash basis net assets	573	125
Cash basis net assets beginning of year	<u>3,622</u>	<u>3,497</u>
Cash basis net assets end of year	<u>\$ 4,195</u>	<u>\$ 3,622</u>

Total business type activities receipts for the fiscal year were approximately \$6.638 million compared to approximately \$5.909 million last year. This increase was due primarily to increased fees collected for services. The cash balance increased by approximately \$573,000 from the prior year. Total disbursements for the fiscal year increased by approximately 5.3 percent to a total of \$3.788 million because of increased payments to the Des Moines Metropolitan Wastewater Reclamation Authority for sewer flows and debt service payments.

## **INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS**

As the City of Clive completed the year, its governmental funds reported a combined fund balance of approximately \$26,377,000, an increase of approximately \$1,138,000 above last year's total of approximately \$25,239,000. The following are the major reasons for the changes in cash balances from the prior year for the City's major funds.

- The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the cash balance of the General Fund was \$3,942,416, a decrease of approximately \$105,800 from the prior year. Most of this decrease was due to decreased property tax collections.
- The Urban Renewal Tax Increment Fund was established to account for major urban renewal projects within the City's TIF districts. At the end of the fiscal year, the cash balance was \$2,525,975, an increase of \$48,141 from the previous year. The increase was the result of an increase in tax increment taxes collected. These proceeds will be used for various development projects within the TIF district. Any debt will be paid off with incremental property taxes generated from the increased taxable valuation in the district.
- The Debt Service Fund cash balance increased by \$2,733,370 to \$2,913,714. This increase was due to a new bond issue for the purpose of refunding of two bond issues that will be callable on June 1, 2012. The advance funds are held in escrow until the bonds can be called. Bond principal and interest payments increased by \$3,147,672 due to payments on new bond issues and the payoff of the 2001 bond issue.
- The Capital Projects Fund was established to account for all resources used in the acquisition and construction of capital facilities with the exception of those that are financed through Enterprise Funds. At the end of the fiscal year, the cash balance was \$16,302,242, a decrease of \$1,787,521 from the prior year. Payments on various projects accounted for the decrease.

## **INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS**

The cash balance of the Enterprise, Sewer Fund increased by \$141,134 to \$2,275,397 due primarily to increased receipts from sewer charges.

The cash balance of the Enterprise, Water Fund increased by \$126,184 to \$746,265 due primarily to increased water sales.

## **BUDGETARY HIGHLIGHTS**

In accordance with the Code of Iowa, the City Council annually adopts a budget following required public notice and hearings for all funds. Although the budget document presents functional disbursements by fund, the legal level of control is at the aggregated function level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Over the course of the year, the City amended its operating budget once. The amendment was approved on June 16, 2011 to provide for additional expenditures in certain City departments. The City had sufficient cash balances to absorb these additional costs.

The City's receipts were \$776,696 more than budgeted. This was primarily due to the City receiving more in intergovernmental receipts than anticipated, even after the amendments.

Even with the budget amendments, total disbursements were \$6,908,371 less than the amended budget. The actual disbursements for the public safety, capital projects and general government were \$117,799, \$5,168,563 and \$352,929, respectively, less than the amended budget. This was primarily due to capital projects not progressing as originally budgeted and efforts to keep operating costs down.

## DEBT ADMINISTRATION

At year-end, the City had \$52,105,262 in bonds and other long-term debt compared to \$51,100,516 last year as shown below.

Outstanding Debt at Year-End (Expressed in Thousands)		
	June 30,	
	2011	2010
General obligation bonds	\$ 51,995	\$ 50,930
Capital lease	40	53
Loan	71	118
Total	<u>\$ 52,106</u>	<u>\$ 51,101</u>

Debt increased as a result of two new bond issues.

The City's general obligation bond rating continues to carry an Aa1 rating, a rating that has been assigned by national rating agencies to the City's debt. The Constitution of the State of Iowa limits the amount of general obligation debt that cities can issue to 5 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt of \$52.0 million along with developer rebate agreements of \$10.6 million and other debt subject to the limit of \$0.11 million are well below the City's \$95.0 million legal debt limit.

More detailed information about the City's long-term liabilities is presented in Notes 3, 4 and 5 to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials and citizens considered many factors when setting the 2011 fiscal year budget, tax rates, and fees that will be charged for various City activities. One of those factors is the economy. The City's population growth since the 2000 census is estimated at 12.90%. Unemployment in the greater Des Moines area stands at 6.8 percent. This compares with the state unemployment rate of 6.0 percent.

The U.S. Consumer Price Index (CPI) is a measure of the changes in retail prices of a fixed market grouping of consumer goods and services. The CPI-U for June 2011 was 225.722. For the 12 month period that ended in June 2011, the CPI-U increased 3.6 percent.

These indicators were taken into account when adopting the budget for 2012. Total receipts are expected to increase 7.93 percent. Budgeted disbursements are expected to decrease by approximately \$1,494,000.

If these estimates are realized, the City's budgeted cash balance is expected to decrease about 1.763 million by the close of fiscal year 2012.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Pamela Blessman, City Clerk, Clive, Iowa 50325.

**City of Clive**

## **Basic Financial Statements**

# CITY OF CLIVE

## Statement of Activities and Net Assets - Cash Basis

As of and for the year ended June 30, 2011

	Disbursements	Program Receipts		
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
<b>Functions/Programs:</b>				
Governmental activities:				
Public safety	\$ 6,241,338	\$1,110,295	\$ 3,842	\$ -
Public works	2,821,650	706,539	1,395,711	-
Health and social services	14,088	-	-	-
Culture and recreation	3,344,056	712,754	75,236	-
Community and economic development	2,597,979	283,559	-	-
General government	2,026,281	83,650	49,444	-
Debt service	5,894,802	-	10,909	-
Capital projects	6,278,543	-	-	2,366,894
Total governmental activities	29,218,737	2,896,797	1,535,142	2,366,894
Business type activities:				
Water	1,822,315	3,733,721	-	-
Sewer	1,683,676	2,097,376	-	-
Other	282,550	700,581	-	-
Total business type activities	3,788,541	6,531,678	-	-
Total	\$33,007,278	\$9,428,475	\$1,535,142	\$2,366,894

### General receipts and transfers:

Property tax levied for:

- General purposes
- Debt service
- Tax increment financing
- Hotel/motel tax
- Unrestricted investment earnings
- Bond proceeds, net of premiums,  
discounts and payment of refunded bonds
- Miscellaneous
- Sale of capital assets
- Transfers

Total general receipts and transfers

Change in cash basis net assets

Cash basis net assets beginning of year

Cash basis net assets end of year

### Cash Basis Net Assets

Restricted:

Expendable:

- Streets
- Urban renewal purposes
- Debt service
- Other purposes

Unrestricted

**Total cash basis net assets**

See notes to financial statements.



Net (Disbursements) Receipts and Changes in Cash Basis Net Assets		
Governmental Activities	Business Type Activities	Total
\$ (5,127,201)	\$ -	\$ (5,127,201)
(719,400)	-	(719,400)
(14,088)	-	(14,088)
(2,556,066)	-	(2,556,066)
(2,314,420)	-	(2,314,420)
(1,893,187)	-	(1,893,187)
(5,883,893)	-	(5,883,893)
(3,911,649)	-	(3,911,649)
(22,419,904)	-	(22,419,904)
-	1,911,406	1,911,406
-	413,700	413,700
-	418,031	418,031
-	2,743,137	2,743,137
(22,419,904)	2,743,137	(19,676,767)
8,452,812	-	8,452,812
2,014,930	-	2,014,930
4,195,356	-	4,195,356
798,706	-	798,706
56,792	-	56,792
4,982,460	-	4,982,460
578,175	106,551	684,726
150,719	-	150,719
2,276,684	(2,276,684)	-
23,506,634	(2,170,133)	21,336,501
1,086,730	573,004	1,659,734
25,686,978	3,622,154	29,309,132
\$ 26,773,708	\$ 4,195,158	\$ 30,968,866
\$ 11,352,919	\$ -	\$ 11,352,919
2,525,975	-	2,525,975
2,913,714	-	2,913,714
6,138,470	1,173,496	7,311,966
3,842,630	3,021,662	6,864,292
\$ 26,773,708	\$ 4,195,158	\$ 30,968,866

# CITY OF CLIVE

## Statement of Cash Receipts, Disbursements and Changes in Cash Balances Governmental Funds

As of and for the year ended June 30, 2011

	General	Special Revenue Urban Renewal Tax Increment	Debt Service
Receipts:			
Property tax	\$ 7,185,048	\$ -	\$ 2,014,930
Tax increment financing	-	4,195,356	-
Other City tax	1,262,093	-	-
Licenses and permits	335,573	-	-
Use of money and property	69,357	-	10,909
Intergovernmental	60,518	-	-
Charges for service	2,438,831	-	-
Special assessments	-	-	-
Miscellaneous	270,199	-	-
Total receipts	11,621,619	4,195,356	2,025,839
Disbursements:			
Operating:			
Public safety	5,807,469	-	-
Public works	1,576,303	-	-
Health and social services	14,088	-	-
Culture and recreation	3,115,845	-	-
Community and economic development	606,210	1,909,315	-
General government	1,700,231	-	-
Debt service	-	2,163,362	3,731,440
Capital projects	-	-	-
Total disbursements	12,820,146	4,072,677	3,731,440
Excess (deficiency) of receipts over (under) disbursements	(1,198,527)	122,679	(1,705,601)
Other financing sources (uses):			
Bond proceeds	-	-	120,335
Bond premiums	-	-	1,517
Bond discounts	-	-	(3,570)
Proceeds from refunding bonds	-	-	5,464,800
Payments of refunding bonds	-	-	(2,786,843)
Sale of capital assets	150,720	-	-
Operating transfers in	1,593,903	462	1,642,732
Operating transfers out	(651,886)	(75,000)	-
Total other financing sources (uses)	1,092,737	(74,538)	4,438,971
Net change in cash balances	(105,790)	48,141	2,733,370
Cash balances beginning of year	4,048,206	2,477,834	180,344
Cash balances end of year	\$ 3,942,416	\$ 2,525,975	\$ 2,913,714
<b>Cash Basis Fund Balances</b>			
Restricted for:			
Debt service	\$ -	\$ -	\$ 2,913,714
Urban renewal purposes	-	2,525,975	-
Streets	-	-	-
Other purposes	-	-	-
Unassigned	3,942,416		
Total cash basis fund balances	\$ 3,942,416	\$ 2,525,975	\$ 2,913,714

See notes to financial statements.

Capital Projects	Other Nonmajor Governmental Funds	Total
\$ -	\$ 1,267,764	\$ 10,467,742
-	-	4,195,356
-	-	1,262,093
-	-	335,573
85,917	-	166,183
1,936,480	1,395,711	3,392,709
-	-	2,438,831
113,663	-	113,663
230,832	22,422	523,453
2,366,892	2,685,897	22,895,603
-	433,869	6,241,338
-	1,245,347	2,821,650
-	-	14,088
-	228,211	3,344,056
-	82,454	2,597,979
-	326,050	2,026,281
-	-	5,894,802
6,278,543	-	6,278,543
6,278,543	2,315,931	29,218,737
(3,911,651)	369,966	(6,323,134)
1,660,000	-	1,780,335
41,356	-	42,873
-	-	(3,570)
-	-	5,464,800
-	-	(2,786,843)
-	-	150,720
718,078	-	3,955,175
(295,304)	(120,532)	(1,142,722)
2,124,130	(120,532)	7,460,768
(1,787,521)	249,434	1,137,634
18,089,763	442,817	25,238,964
\$ 16,302,242	\$ 692,251	\$ 26,376,598
\$ -	\$ -	\$ 2,913,714
-	-	2,525,975
10,883,601	469,318	11,352,919
5,518,428	222,933	5,741,361
(99,787)	-	3,842,629
\$ 16,302,242	\$ 692,251	\$ 26,376,598

## CITY OF CLIVE

Reconciliation of the Statement of Cash  
Receipts, Disbursements and Changes in Cash Balances  
to the Statement of Activities and Net Assets -  
*Governmental Funds*

As of and for the year ended June 30, 2011

**Total governmental funds cash balances (pages 18 - 19)** \$ 26,376,598

*Amounts reported for governmental activities in the Statement of Activities  
and Net Assets are different because:*

The Internal Service Fund is used by management to charge the costs of partial self funding of the equipment replacement. The assets of the Internal Service Fund are included in governmental activities in the Statement of Net Assets.

397,109

**Cash basis net assets of governmental activities (pages 16 -17)** \$ 26,773,707

**Net change in cash balances (pages 18 - 19)** \$ 1,137,634

*Amounts reported for governmental activities in the Statement of Activities  
and Net Assets are different because:*

The Internal Service Fund is used by management to charge the costs of equipment replacement to individual funds. The change on net assets of the Internal Service Fund is reported with governmental activities.

(50,904)

**Change in cash balance of governmental activities (pages 16 - 17)** \$ 1,086,730

See notes to financial statements.

## CITY OF CLIVE

Statement of Cash Receipts, Disbursements and Changes in Cash Balances  
*Proprietary Funds*

As of and for the year ended June 30, 2011

	Enterprise Funds				Internal Service Fund
	Water	Sewer	Nonmajor Enterprise Funds	Total	Equipment Replacement
Operating receipts:					
Charges for service	\$3,733,721	\$2,097,376	\$700,581	\$6,531,678	\$ -
Total operating receipts	3,733,721	2,097,376	700,581	6,531,678	-
Operating disbursements:					
Business type activities	1,822,314	1,683,676	282,550	3,788,540	-
Total operating disbursements	1,822,314	1,683,676	282,550	3,788,540	-
Excess (deficiency) of operating receipts (under) over operating disbursements	1,911,407	413,700	418,031	2,743,138	-
Non-operating receipts:					
Bond proceeds	-	-	-	-	484,865
Miscellaneous	99,644	6,906	-	106,550	-
Total non-operating receipts (disbursements)	99,644	6,906	-	106,550	484,865
Excess of receipts over disbursements	2,011,051	420,606	418,031	2,849,688	484,865
Transfers					
Operating transfers in	-	-	-	-	647,514
Operating transfers out	(1,884,867)	(279,472)	(112,345)	(2,276,684)	(1,183,283)
Net transfers	(1,884,867)	(279,472)	(112,345)	(2,276,684)	(535,769)
Net change in cash balances	126,184	141,134	305,686	573,004	(50,904)
Cash balances beginning of year	620,081	2,134,263	867,810	3,622,154	448,013
Cash balances end of year	\$ 746,265	\$2,275,397	\$1,173,496	\$4,195,158	\$ 397,109
<b>Cash Basis Fund Balances</b>					
Unrestricted	\$ 746,265	\$2,275,397	\$1,173,496	\$4,195,158	\$ 397,109
Total cash basis fund balances	\$ 746,265	\$2,275,397	\$1,173,496	\$4,195,158	\$ 397,109

See notes to financial statements.

**CITY OF CLIVE**Statement of Cash Receipts, Disbursements and Changes in Cash Balances  
*Fiduciary Funds*

Year ended June 30, 2011

	<u>Cash Bond</u>
Additions:	\$ -
Deductions:	<u>-</u>
Net change in cash balance	-
Cash balance beginning of year	<u>6,100</u>
Cash balance end of year, held for contractor bonds paid	<u><u>\$ 6,100</u></u>

See notes to financial statements.

# CITY OF CLIVE

## Notes to Financial Statements

June 30, 2011

### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Clive is a political subdivision of the State of Iowa located in Polk and Dallas Counties. It was first incorporated in 1956 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens including public safety, public works, health and social services, culture and recreation, community and economic development and general government services. The City also provides water and sewer utilities for its citizens.

#### A. Reporting Entity

For financial reporting purposes, the City of Clive has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the City. The City of Clive has no component units which meet the Governmental Accounting Standards Board criteria.

#### Jointly Governed Organization

The City also participates in several jointly governed organization that provides goods or services to the citizenry of the City but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the (Note 12) The Des Moines Metro Waste Authority, the Des Moines Area Regional Transit Authority, the City of West Des Moines and the City of Clive Joint Fire Station and Emergency Medical Services Facility (Note 5), the Metropolitan Planning Organization, the Convention Visitors Bureau, Bravo Greater Des Moines, Inc. and the E911 Service Board.

#### Joint Ventures

The city participates in a joint venture that provide goods or services to the citizenry of the City and meet the criteria of a joint venture because there is an ongoing financial interest or responsibility by the participating governments. The City is a member of the following joint venture: the Des Moines Metropolitan Wastewater Reclamation Authority (Note 4).

#### B. Basis of Presentation

Government-wide Financial Statements - The Statement of Activities and Net Assets reports information on all of the nonfiduciary activities of the City. For the most part, the effect of the interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services.

# CITY OF CLIVE

## Notes to Financial Statements - Continued

June 30, 2011

### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### B. Basis of Presentation - Continued

The Statement of Activities and Net Assets presents the City's nonfiduciary net assets. Net assets are reported in the following categories/components:

*Expendable Restricted net assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* consist of net assets that do not meet the definition of the preceding category. Unrestricted net assets often have constraints on resources imposed by management, which can be removed or modified.

The Statement of Activities and Net Assets demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and proprietary funds are aggregated and reported as nonmajor governmental and proprietary funds, respectively.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Urban Renewal Tax Increment Fund is used to account for tax increment financing collections and the repayment of tax increment financing indebtedness.

The Debt Service Fund is utilized to account for the payment of interest and principal on the City's general long-term debt.



# **CITY OF CLIVE**

## **Notes to Financial Statements - Continued**

June 30, 2011

### **(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

#### **B. Basis of Presentation - Continued**

The Capital Projects Fund is utilized to account for all resources used in the acquisition and construction of capital facilities with the exception of those that are financed through enterprise funds.

The City reports the following major proprietary funds:

The Enterprise, Water Fund accounts for the operation and maintenance of the City's water system.

The Enterprise, Sewer Fund accounts for the operation and maintenance of the City's waste water treatment and sanitary sewer system.

The City also reports the following additional funds:

An Internal Service Fund is utilized to account for the financing of goods or services purchased by one department of the City and provided to other departments or agencies on a cost reimbursement basis. This is composed of the Equipment Replacement Fund. This proprietary fund is reported with governmental activities in the government wide statements.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. The City's fiduciary funds consist of:

Cash Bond Fund, which is custodial in nature, reports assets and does not involve measurement of the results of operations. This fund functions primarily as a clearing mechanism for resources which are collected by the City, held for a period, and then disbursed to an authorized recipient.

#### **C. Measurement Focus and Basis of Accounting**

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, and then by general receipts.

# CITY OF CLIVE

## Notes to Financial Statements - Continued

June 30, 2011

### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### C. Measurement Focus and Basis of Accounting - Continued

When a disbursement in governmental funds can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the disbursement toward restricted fund balance and then to less-restrictive classifications - committed, assigned and then unassigned fund balances.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

Enterprise funds apply all applicable GASB pronouncements as well as Financial Accounting Standards Board Statements and Interpretations, Accounting Principle Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 which do not conflict with or contradict GASB pronouncements and which apply to the comprehensive basis of accounting used.

#### D. Governmental Cash Basis Fund Balances

In the governmental fund financial statements, cash basis fund balances are classified as follows:

Nonspendable - Amounts which cannot be spent because they are legally or contractually required to be maintained intact.

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors, or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Unassigned - All amounts not included in other spendable classifications.

#### E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

#### F. Property Taxes

All City property taxes must be certified to the Polk or Dallas County Auditors on or before the fifteenth day of March of each year for the upcoming fiscal year which runs from July 1 to June 30. Property taxes are levied in June and attached as an enforceable lien on the property on July 1.

Property taxes levied for the year ending June 30, 2011, attached as an enforceable lien on July 1, 2010, with the first half installment being delinquent after September 30, 2010 and the second half installment being delinquent after March 31, 2011.

# CITY OF CLIVE

## Notes to Financial Statements - Continued

June 30, 2011

### (2) CASH AND POOLED INVESTMENTS

The City's deposits in banks at June 30, 2011, were entirely covered by Federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2011, the City had \$22,832,050 in a public funds money market account.

In addition, the City had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$1,563,201 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest rate risk - The City's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the City.

Credit risk - The City's investment in the Iowa Public Agency Investment Trust is unrated.

### (3) LONG TERM DEBT

The following is a summary of the changes in the outstanding long-term debt of the City for the year ended June 30, 2011:

	Balance June 30, 2010	Issued	Redeemed	Balance June 30, 2011
Governmental Activities				
General obligation bonds	\$ 50,930,000	\$ 7,730,000	\$ 6,665,000	\$ 51,995,000
Capital lease	53,016	-	13,254	39,762
Loans (Note 5)	117,500	-	47,000	70,500
	<u>\$ 51,100,516</u>	<u>\$ 7,730,000</u>	<u>\$ 6,725,254</u>	<u>\$ 52,105,262</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	General Obligation Bonds	
	Principal	Interest
2012	\$ 4,025,000	\$ 1,812,027
2013	5,125,000	1,680,433
2014	5,230,000	1,523,111

## CITY OF CLIVE

### Notes to Financial Statements - Continued

June 30, 2011

#### (3) LONG TERM DEBT - CONTINUED

2015	4,995,000	1,356,456
2016	5,170,000	1,190,234
2017-2021	23,085,000	3,197,020
2022-2026	<u>4,365,000</u>	<u>329,735</u>
Total	<u>\$51,995,000</u>	<u>\$11,089,016</u>

The City paid \$1,838,025 in interest on debt obligations for the year ended June 30, 2011. Total principal paid on debt for the year ended June 30, 2011 was \$6,725,254. Interest rates on debts range from 0.00% to 5.00%.

#### Capital Lease

The City entered into a 28E agreement with several other metro cities and the Metro Waste Authority for the lease purchase of a metropolitan salt storage facility. The agreements call for each city to pay its proportionate share (approximately 45% for the City of Clive) of said costs based on each city's allocated salt storage capacity. The cities cannot withdraw from the agreement before June 30, 2013. Withdrawal after June 30, 2013 causes the City to forfeit all rights, title, ownership and interest in the shared building. The City is to make payments of \$13,254.06 per year with a final payment due on July 1, 2013. Balance owed at June 30, 2011 was \$39,762.

As of June 30, 2011, the future minimum payments on the lease are as follows:

<u>June 30,</u>	
2012	\$ 13,254
2013	13,254
2014	13,254

#### Crossover Refunding

On December 27, 2010, the City issued \$5.52 million in general obligation refunding bonds with interest rates ranging between 1.00% and 3.50%. The City issued the bonds for a crossover refunding of \$2,735,000 of the essential corporate purpose 2001 bonds with interest rates ranging between 4.50% and 5.00%, \$725,000 of the essential corporate purpose 2002 bonds with interest rates ranging between 3.90% and 5.00%, and \$1,875,000 of the urban renewal 2002 bonds with interest rates ranging between 3.85% and 4.80%. The City used the net proceeds along with other resources to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for future debt service on the refunded portion of these bonds at their callable dates. The 2001 bond issue was recalled on June 1, 2011 and the 2002 bond issues will be recalled on June 1, 2012. At June 30, 2011, the City had \$2,654,965 in an escrow account for payment on the 2002 bonds on June 1, 2012. The refunding will reduce total debt service payments over the next 11 years by approximately \$407,000. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$402,000.

## CITY OF CLIVE

### Notes to Financial Statements - Continued

June 30, 2011

#### **(4) JOINT VENTURES AND COMMITMENTS**

The City is a participating community in the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) joint venture. This joint venture provides primary and secondary treatment of sewer flows for the participating communities. The Amended and Restated Agreement for the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) was effective on July 1, 2004. This agreement amended and restated the previous Integrated Community Area (I.C.A.) Agreement to provide continued operation, improvements and expansion. The WRA Agreement establishes the WRA as a separate legal entity with its own Board, creates an independent governance structure, establishes an independent bonding authority for the WRA and provides a framework for additional communities to participate.

Annually, the WRA establishes an allocation to all participating communities based on operations, maintenance, debt service and reserve requirements. Allocations are based on wastewater reclamation facility flows and are adjusted prospectively for differences in budgeted flows and actual flows.

The City of Clive retains an ongoing financial responsibility to the WRA since it is obligated in some manner for the debts of the joint venture through the annual allocation. Although the debt of the WRA is to be paid solely and only from WRA revenues, the participating communities in the joint venture cannot withdraw from the joint venture while any of the bonds issued during the time the communities were a participating community are still outstanding. The WRA Sewer Revenue Bonds Series 2004A, 2004B, 2006 and the 2008 and 2009 State Revolving Loan Funds include provisions that place the WRA debt service requirements on the same parity and rank as other debts of the participating communities.

The WRA Agreement requires the debt service on the Series 2004A bonds to be allocated using the annual flow allocation to the participating communities based on the existing allocations of debt service under the prior I.C.A. agreement. The Series 2004A bonds had a balance of \$2,735,000 as of June 30, 2011. The City of Clive has a commitment for approximately \$3,915, or 0.1%, for future principal payment requirements on that debt. The WRA Sewer Revenue Bonds Series 2004B and 2006 bonds were issued for capital expansion. The WRA Agreement requires the debt service on these bonds and loans to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2011, the Series 2004B bonds had a balance of \$61,245,000 and the City of Clive's estimated future allocated based on the WRA flows is currently \$2,834,560, or 4.63%. As of June 30, 2011, the Series 2006 bonds had a balance of \$35,795,000 and the City of Clive's estimated future allocation based on the WRA Flows is currently \$1,499,896 or 4.19%. The State Revolving Loans are to be paid by the participating communities based on the existing allocations under the prior I.C.A. agreement. As of June 30, 2011 the State Revolving Loans had a balance of \$107,605,146 and the City of Clive's estimated future allocation based on the WRA flows is currently \$5,336,934 or 4.96%. The State Revolving Loans that existed prior to the 2004 agreement are to be paid by the participating communities based on the existing allocations under the prior I.C.A. agreement. As of June 30, 2011, the WRA had \$7,373,000 in outstanding pre 2004 State Revolving Loans, of which \$234,837 or 3.19% of future principal debt service is a commitment of the City of Clive.

## **CITY OF CLIVE**

### **Notes to Financial Statements - Continued**

June 30, 2011

#### **(4) JOINT VENTURE AND COMMITMENTS - CONTINUED**

The WRA Agreement does not provide for the determination of an equity interest for the participating communities. Withdrawing from the joint venture is a forfeit of all reversionary interest and no compensation will be paid. Pursuant to the new agreement, the City's investment in the joint venture under the I.C.A. Agreement has been contributed to the new WRA organization. The City retains a reversionary interest percentage in the net assets of the WRA redeemable only in the event the WRA is dissolved. During the year ended June 30, 2011 the City paid the WRA \$1,027,819 for operations, maintenance, equipment replacement and debt service payments.

The WRA issues separate financial statements that may be obtained at 3000 Vandalia Road, Des Moines, Iowa 50317-1346.

##### WRA Facility Cost Reimbursement Agreement

The Cities of Clive and West Des Moines are parties to the WRA Agreement dated February 19, 1979, which imposes costs on both entities as users of the Des Moines WRA Region Wastewater Treatment Plant and the sewer lines and facilities comprising the WRA system. The City of Clive has made certain portions of its sanitary sewer facilities connected to the WRA system available to the City of West Des Moines.

The City of West Des Moines is obligated to reimburse the City of Clive based upon their sewer usage. During the fiscal year ended June 30, 2011, the City of Clive received reimbursement of \$0 for that period.

The City and the Urbandale Windsor Heights Sanitary (UWHD) District are part of the WRA. UWHD has agreed to assume responsibility for the payment of \$2,000,000 of the City of Clive's obligation for the Southwest Diversion Project costs, with payments to be made in ten annual payments of \$200,000. During the fiscal year ended June 30, 2011, the City of Clive received \$200,000 from the UWHD, representing the fourth payment under the agreement.

#### **(5) JOINT FIRE STATION AND EMERGENCY MEDICAL SERVICES FACILITY**

The joint facility with the City of West Des Moines was established for the purpose of constructing, operating and managing a fire station and emergency medical services facility. The joint facility was developed as the result of a 28E agreement between the City of Clive and the City of West Des Moines. The City of West Des Moines was designated the "Lead Agency" and, as such, is responsible for accounting for all disbursements relating to the project.

Originally, \$2,000,000 worth of bonds had been issued by the City of West Des Moines. The City of Clive annually pays forty-seven percent of the bonds and interest due.

## CITY OF CLIVE

### Notes to Financial Statements - Continued

June 30, 2011

#### (5) JOINT FIRE STATION AND EMERGENCY MEDICAL SERVICES FACILITY - CONTINUED

The future maturities of the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ 47,000	\$ 2,302	\$ 49,302
2013	23,500	460	23,960
Total	<u>\$ 70,500</u>	<u>\$ 2,762</u>	<u>\$ 73,262</u>

During the year ended June 30, 2011, the City paid \$47,000 and \$4,143 in principal and interest, respectively. The City is also obligated to remit a share of operating and administration costs. During the year ended June 30, 2011, these costs totaled \$556,934.

In accordance with the Joint Facility Agreement, legal title to the joint facility is held by the City of West Des Moines for the benefit and use of the communities.

Complete financial statements for the City of West Des Moines can be obtained from the City Clerk's office at the City of West Des Moines.

#### (6) PENSION AND RETIREMENT SYSTEMS

##### Municipal Fire and Police Retirement System of Iowa

The City contributes to the Municipal Fire and Police Retirement System of Iowa (the Plan), which is a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees. The Plan provides retirement, disability and death benefits which are established by state statute to plan members and beneficiaries. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Municipal Fire and Police Retirement System of Iowa, 7155 Lake Drive, Suite 201, West Des Moines, Iowa 50266.

Plan members are required to contribute 9.40% of earnable compensation and the City's required contribution rate based upon an actuarially determined nominal contribution rate, can not be less than 19.90% of earnable compensation. Contribution requirements are established by state statute. The City's contributions to the Plan for the years ended June 30, 2011, 2010 and 2009 were \$288,660, \$244,458 and \$253,241, respectively, which met the required minimum contribution for each year.

##### IPERS

The City contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Most regular plan members are required to contribute 4.50% of their annual covered salary and the City is required to contribute 6.95% of annual covered salary. Certain employees in special risk occupations and the City contribute an actuarially determined contribution rate. Contribution requirements are established by State statute. The City's contribution to IPERS for the years ended June 30, 2011, 2010 and 2009 were \$408,220, \$385,172, and \$343,431, respectively, equal to the required contributions for each year.

## CITY OF CLIVE

### Notes to Financial Statements - Continued

June 30, 2011

#### (6) PENSION AND RETURMENT SYSTEMS - CONTINUED

##### DEFERRED COMPENSATION

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, as amended on August 20, 1996. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is held in trust for the exclusive benefit of participants (or their beneficiaries in the event of the participant's death) until termination, retirement, death, or an unforeseeable emergency. The City provides neither administrative service to plan nor investment advice for the plan.

#### (7) COMPENSATED ABSENCES

City employees accumulate a limited amount of earned but unused vacation, sick and other hours for subsequent use or for payment upon termination or retirement. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned vacation, sick time, comp time and fluctuating holiday termination payments payable to employees at June 30, 2011, primarily relating to the General Fund, is as follows:

<u>Type of Benefit</u>	<u>Amount</u>
Vacation	\$230,808
Sick	152,504
Other	58,762

Sick leave is payable when used or upon retirement if the employee is over fifty-five years of age. If paid upon retirement, payment is made for up to 50 percent of accrued sick leave, not to exceed 360 hours. Compensated absences are not paid at death. This liability has been computed based on rates of pay in effect at June 30, 2011.

#### (8) DEVELOPMENT AGREEMENTS

The City has entered into various development agreements for urban renewal projects. These agreements call for the City to make economic development tax rebate payments each year out of incremental taxes received by the City. These arrangements run for 5 to 10 years. Payments totaling \$1,909,315 were made during the year ended June 30, 2011 under these agreements. Estimated amounts to be paid in future years on development agreements totaled \$10.6 million.

#### (9) CONSTRUCTION CONTRACTS

The City has entered into various construction contracts totaling approximately \$9,295,000. The unpaid contract balances as of June 30, 2011 totaled approximately \$2,461,000 which will be paid as work on the projects progresses.



## CITY OF CLIVE

### Notes to Financial Statements - Continued

June 30, 2011

#### (10) RISK MANAGEMENT

The City is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 645 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 150 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The City's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The City's annual contributions to the Pool for the year ended June 30, 2011 were \$197,212.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim. For members requiring specific coverage from \$3,000,000 to \$12,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location, with excess coverage reinsured by the Travelers Insurance Company.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. As of June 30, 2011, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund

## **CITY OF CLIVE**

### **Notes to Financial Statements - Continued**

June 30, 2011

#### **(10) RISK MANAGEMENT - CONTINUED**

of their casualty capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its casualty capital contributions, however, the refund is reduced by an amount equal to the annual casualty operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The City also carries commercial insurance purchased from other insurers for coverage associated with workmen's compensation. The City assumes liability for any deductibles, and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

#### **(11) COMMUNITY ECONOMIC BETTERMENT ACCOUNT (CEBA)**

A CEBA loan has been made by the Iowa Department of Economic Development (IDED) to a local business. The funds to repay the loan come from the business recipient. The loan is required to be presented as the City's long-term debt, but the City will not be liable for it if they make a reasonable attempt to collect from the business involved upon default.

De Waay Capital Management: A \$75,000 loan with a zero percent per annum interest rate for five years ending September 1, 2010 and a \$75,000 forgivable loan with a six percent per annum interest rate with no payments for the three years ending May 19, 2008. Amounts are forgiven based on a formula for each new FTE job created/retained and maintained for at least ninety days past the project completion date. Monthly payments are receivable for five years from the business and payable to the Iowa Department of Economic Development for the loan which has a balance of \$3,750 as of June 30, 2011.

#### **(12) JOINTLY GOVERNED ORGANIZATIONS AND COMMITMENTS**

##### **(a) METRO WASTE AUTHORITY**

The City, in conjunction with various other municipalities, has created the Metro Waste Authority. The Organization was established for the primary purpose of providing for the economic disposal, or collection and disposal, of solid waste produced or generated by each participant. In the event of withdrawal or dissolution, the net assets of the Organization will be prorated among the municipalities. The Organization is governed by a board composed of an elected representative of the governing body of each participating governmental jurisdiction. During the year ended June 30, 2011, the City paid \$142,336 to the Metro Waste Authority.

##### **(b) STADIUM AGREEMENT**

A 28E agreement was signed between the Cities of Urbandale, Des Moines, West Des Moines, Windsor Heights, Clive, Johnston, Ankeny, and Altoona, and the County of Polk to assist the City of Des Moines in financing the reconstruction and renovation of the formerly named Sec Taylor Stadium. The City of Des Moines issued \$8,710,000 of bonds to finance this project. The City of Des Moines pays the principal and interest on \$7,960,000 of the bonds and the principal and interest on the remaining \$750,000 of bonds is paid by the participating entities. The share paid by these other participating entities is based upon their proportion of hotel/motel tax revenues to the total of

## **CITY OF CLIVE**

### **Notes to Financial Statements - Continued**

June 30, 2011

#### **(12) JOINTLY GOVERNED ORGANIZATIONS AND COMMITMENTS - CONTINUED**

all hotel/motel tax revenues of the participating entities. The City of Clive's share of the principal and interest on the bonds was \$15,389 for the fiscal year ended June 30, 2011.

##### **(c) CONVENTION VISITORS BUREAU (CVB)**

An agreement was entered into by the Cities of Clive, various other metro area cities, and the County of Polk to establish an area-wide effort for the promotion of tourism and convention activities in the Greater Des Moines metropolitan area. Each government agrees to remit two-sevenths of their hotel/motel tax revenues for use by the CVB. During the fiscal year ended June 30, 2011, the City of Clive remitted \$228,199 to the CVB.

##### **(d) DES MOINES METROPOLITAN PLANNING ORGANIZATION (MPO)**

The City, in conjunction with three counties and various other metro cities has created the Des Moines Metropolitan Planning Organization (MPO). The MPO is organized as a separate legal entity pursuant to the provisions of Chapter 28E of the Code of Iowa, with the powers and purposes to carry out transportation planning activities for the metropolitan area. The City of Clive paid the MPO \$8,475 for its portion of the services during the year ended June 30, 2011.

##### **(e) METRO HOME IMPROVEMENT PROGRAM**

An agreement was entered into by the cities of Clive, Altoona, Ankeny, Grimes, Johnston, Pleasant Hill, Urbandale, West Des Moines and Windsor Heights to share certain costs for the operation of a housing rehabilitation program within their respective communities. The City of West Des Moines is the coordinating agency for the program. During the fiscal year ended June 30, 2011, the City paid \$4,794 for its share of costs.

##### **(f) WESTCOM**

An agreement was entered into by the cities of Clive, Urbandale and West Des Moines to share certain costs for a consolidated dispatch unit for police, fire and emergency medical services. The City of West Des Moines is the coordinating agency for the program during the fiscal year ended June 30, 2011. The City paid \$325,607 for its share of costs.

#### **(13) LEASES**

The City has entered into three cancelable lease agreements to lease water tower space to communication companies. The lease with US Cellular Operating Company commenced on August 31, 1987 for a term of twenty years. The lease was amended on April 1, 2000 and calls for payment of \$400 per month. Under the terms of the lease, the lessee has the option to renew for two additional five year terms at the current monthly rate as adjusted by the Consumer Price Index. Current monthly payments are \$482.64.

On March 18, 1996, the City executed a five year lease, with three additional five year renewal options, with MajorCo, L.P. Annual rent under the term of the lease is \$5,808.

## CITY OF CLIVE

### Notes to Financial Statements - Continued

June 30, 2011

#### (13) LEASES - CONTINUED

The City has also executed a lease with Voicestream PCS I LLC. The initial lease term is for a period of five years, terminating on October 28, 2001 and renewed for five years. Under the terms of the lease agreement the lease will automatically be renewed for five additional five year terms unless the tenant notifies the City in writing. Annual rent is \$11,903 upon the automatic renewal occurring in October, 2006.

Future minimum lease collections are as follows:

2012	9,759
------	-------

#### (14) IOWA EVENTS CENTER

An agreement was entered into by the City and Polk County, Iowa to commit City funding for the financing of the construction of the Iowa Events Center Project in Des Moines. The City is to provide a grant of \$625,000 to be used by the County for the project. The funds were originally to be advanced over 10 years with payments beginning the fiscal year ending June 30, 2004. On September 22, 2005, this agreement was amended to decrease the annual payments and extend the period of payment through 2019. Payments totaling \$31,250 were paid during the year ended June 30, 2011.

#### (15) INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2011 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue:	
	Road Use Tax	\$ 35,660
	Capital Projects	275,000
	Internal Service	1,183,283
	Enterprise:	
	Water	29,400
	Sewer	34,600
	Storm Sewer	35,960
		<u>1,593,903</u>
Special Revenue:		
TIF Debt Service	Capital Projects	<u>462</u>
Debt Service	Capital Projects	19,843
	Enterprise:	
	Water	<u>1,622,889</u>
		<u>1,642,732</u>

## CITY OF CLIVE

### Notes to Financial Statements - Continued

June 30, 2011

#### (15) INTERFUND TRANSFERS - CONTINUED

Transfer to	Transfer from	Amount
Capital Projects	General	\$ 326,886
	Special Revenue:	
	Urban Renewal Tax Increment	75,000
	Enterprise:	
	Water	156,193
	Sewer	160,000
		<u>718,079</u>
Internal Service	General	325,000
	Special Revenue:	
	Road Use	84,872
	Enterprise	
	Water	76,385
	Sewer	84,872
	Storm Water	76,385
		<u>647,514</u>
Total		<u>\$ 4,602,690</u>

Transfers generally move resources from the fund required to collect the resources to the fund statutorily required to disburse the resources.

#### (16) RELATED PARTY TRANSACTIONS

The City had business transactions between the City and City officials totaling \$2,000 during the year ended June 30, 2011.

#### (17) POST-EMPLOYMENT BENEFITS

All full-time employees who retire or become disabled are offered the following post-employment benefit options:

Health insurance - For employees wishing to voluntarily retire prior to the age of 65 who are a minimum of 55 years of age at the time of retirement; have at least 20 years of service with the City; and wish to remain on the City employee health insurance plan, the City will assist the employee with the cost of single coverage health insurance until the retiree reaches the age eligible to receive Medicare, according to a schedule based upon length of continued regular full-time service to the City.

For months of service not totaling a full year, the percentage amount of single coverage paid by the City will be prorated by full month. The City will also provide \$2,000 in life insurance coverage until age eligible. Dental and vision coverage can be continued at the expense of the employee.

## CITY OF CLIVE

### Notes to Financial Statements - Continued

June 30, 2011

#### (17) POST-EMPLOYMENT BENEFITS - CONTINUED

After the retiree reaches the Medicare eligible age, any dependent the retiree has covered under the City employee health plan may continue his/her coverage under the City's plan for three more years, or until the dependent reaches the Medicare eligible age, whichever occurs first. The retiree is responsible for expenses related to the policy.

Life insurance - The option of converting the employee's City-paid policy from term insurance to whole life insurance at the individual's expense with the City's life insurance carrier.

Long-term disability - The option of converting the employee's City-paid group policy to a personal policy at the individual's expense with the City's long-term disability insurance carrier.

The above options, while at the individual's own expense, are included within the City's overall insurance package. Therefore, a portion of the above coverage is being subsidized by the City and its current employees, which results in an implicit subsidy and an OPEB liability, except for long-term liability.

There are 105 active and 4 retired/disabled members in the plan. Participants must be age 55 or older at retirement.

Funding Policy - The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go-basis. The most recent active member monthly premiums for the City and plan members are \$409 for single coverage, \$1,106 for family coverage and \$912 for employee and spouse or employee and children per month. The same monthly premiums apply to retirees. For the year ended June 30, 2011, the City contributed \$1,172,230 to the plan.

The City has entered into an agreement with the City Manager which formally identifies the financial obligation of the City to them in the event of an involuntary employment termination. The severance agreement provides for a termination payment equal to six months wages plus six months of benefits. The compensation rate is based upon the compensation paid to the applicable employee at the time of termination.

#### (18) SUBSEQUENT EVENTS

The City also entered into construction contracts of approximately \$472,000 for various capital projects.

The City has evaluated all subsequent events through December 8, 2011, the date the financial statements were available to be issued.

### **Required Supplementary Information**

# CITY OF CLIVE

## Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Balances - Budget and Actual (Cash Basis) - All Governmental Funds and Proprietary Funds

### Required Supplementary Information

Year ended June 30, 2011

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds not Required to Be Budgeted	Total
Receipts:				
Property tax	\$ 10,467,742	\$ -	\$ -	\$ 10,467,742
Tax increment financing	4,195,356	-	-	4,195,356
Other City tax	1,262,093	-	-	1,262,093
Licenses and permits	335,573	-	-	335,573
Uses of money and property	166,183	-	-	166,183
Intergovernmental	3,392,709	-	-	3,392,709
Charges for service	2,438,831	6,531,678	-	8,970,509
Special assessments	113,663	-	-	113,663
Miscellaneous	523,453	106,550	-	630,003
Total receipts	22,895,603	6,638,228	-	29,533,831
Disbursements:				
Public safety	6,241,338	-	-	6,241,338
Public works	2,821,650	-	-	2,821,650
Health and social services	14,088	-	-	14,088
Culture and recreation	3,344,056	-	-	3,344,056
Community and economic development	2,597,979	-	-	2,597,979
General government	2,026,281	-	-	2,026,281
Debt service	5,894,802	-	-	5,894,802
Capital projects	6,278,543	-	-	6,278,543
Business type activities	-	3,788,540	-	3,788,540
Total disbursements	29,218,737	3,788,540	-	33,007,277
Excess (deficiency) of receipts over (under) disbursements	(6,323,134)	2,849,688	-	(3,473,446)
Other financing sources (uses), net	7,460,768	(2,327,588)	(50,904)	5,082,276
Excess of receipts over disbursements and other financing sources (uses):	1,137,634	522,100	(50,904)	1,608,830
Balances beginning of year	25,238,964	4,070,167	(161,893)	29,147,238
Balances end of year	\$ 26,376,598	\$ 4,592,267	\$ (212,797)	\$ 30,756,068

See accompanying independent auditor's report.



Budgeted Amounts		Final to Total Variance- Positive (Negative)
Original	Final	
\$ 10,396,624	\$ 10,396,624	\$ 71,118
4,173,798	4,173,798	21,558
1,196,535	1,516,535	(254,442)
213,300	213,300	122,273
271,107	303,107	(136,924)
1,350,476	1,423,476	1,969,233
9,335,192	9,580,192	(609,683)
-	-	113,663
1,150,003	1,150,003	(520,000)
28,087,035	28,757,035	776,796
6,036,687	6,359,137	117,799
2,823,260	2,906,760	85,110
17,950	17,950	3,862
3,448,981	3,507,981	163,925
2,943,902	2,961,902	363,923
2,356,810	2,379,210	352,929
5,821,193	5,929,700	34,898
11,447,106	11,447,106	5,168,563
4,378,902	4,405,902	617,362
39,274,791	39,915,648	6,908,371
(11,187,756)	(11,158,613)	7,685,167
431,800	431,800	4,650,476
(10,755,956)	(10,726,813)	12,335,643
25,314,765	25,314,765	3,832,473
\$ 14,558,809	\$ 14,587,952	\$ 16,168,116

## **CITY OF CLIVE**

### **Required Supplemental Information**

#### **Notes To Required Supplementary Information - Budgetary Reporting**

**June 30, 2011**

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds except Internal Service Funds and Fiduciary Funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Project Funds, Permanent Funds and Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted disbursements by \$640,857. This budget amendment is reflected in the final budgeted amounts.

## **Other Supplementary Information**

# CITY OF CLIVE

## Schedule of Cash Receipts, Disbursements and Changes in Cash Balances Nonmajor Governmental Funds

As of and for the year ended June 30, 2011

	Special Revenue		
	Road Use Tax	Employee Benefits	Forfeitures
Receipts:			
Property tax	\$ -	\$1,267,764	\$ -
Intergovernmental	1,395,711	-	-
Miscellaneous	-	-	10,000
Total receipts	1,395,711	1,267,764	10,000
Disbursements:			
Operating:			
Public safety	-	416,705	17,164
Public works	1,093,193	152,154	-
Culture and recreation	-	217,468	-
Community and economic development	-	82,454	-
General government	-	326,050	-
Total disbursements	1,093,193	1,194,831	17,164
Excess of receipts over disbursements	302,518	72,933	(7,164)
Other financing (uses):			
Operating transfers out	(120,532)	-	-
Total other financing (uses)	(120,532)	-	-
Net change in cash balances	181,986	72,933	(7,164)
Cash balances beginning of year	287,332	84,202	64,340
Cash balances end of year	\$ 469,318	\$ 157,135	\$ 57,176
<b>Cash Basis Fund Balances</b>			
Restricted for:			
Streets	\$ 469,318	\$ -	\$ -
Other purposes	-	157,135	57,176
Total cash basis fund balances	\$ 469,318	\$ 157,135	\$ 57,176

See accompanying independent auditor's report.

Park Donations	Library	Total	
\$ -	\$ -	\$ 1,267,764	
-	-	1,395,711	
-	12,422	22,422	
-	12,422	2,685,897	
-	-	433,869	
-	-	1,245,347	
-	10,743	228,211	
-	-	82,454	
-	-	326,050	
-	10,743	2,315,931	
-	1,679	369,966	
-	-	(120,532)	
-	-	(120,532)	
-	1,679	249,434	
2,651	4,292	442,817	
\$ 2,651	\$ 5,971	\$ 692,251	
\$ -	\$ -	\$ 469,318	
2,651	5,971	222,933	
\$ 2,651	\$ 5,971	\$ 692,251	

## **City of Clive**

## CITY OF CLIVE

Schedule of Cash Receipts, Disbursements and Changes in Cash Balances  
Nonmajor Proprietary Funds

As of and for the year ended June 30, 2011

	Storm Water	Water Utility Deposits	Total
Operating receipts:			
Charges for service	\$ 666,391	\$ 34,190	\$ 700,581
Total operating receipts	666,391	34,190	700,581
Operating disbursements:			
Business type activities	256,333	26,217	282,550
Total operating disbursements	256,333	26,217	282,550
Excess of operating receipts over operating disbursements	410,058	7,973	418,031
Transfers:			
Operating transfers out	(112,345)	-	(112,345)
Net change in cash balances	297,713	7,973	305,686
Cash balances beginning of year	640,719	227,091	867,810
Cash balances end of year	\$ 938,432	\$ 235,064	\$ 1,173,496
<b>Cash Basis Fund Balances</b>			
Unrestricted	938,432	235,064	1,173,496
Total cash basis fund balances	\$ 938,432	\$ 235,064	\$ 1,173,496

See accompanying independent auditor's report.

# CITY OF CLIVE

## Schedule of Cash Receipts, Disbursements and Changes in Cash Balances Capital Project Funds

As of and for the year ended June 30, 2011

	Fiber Optics	PW Property Acquisition	Hickman Trail Crossing	Shared Fire Training	Flood Alert
Receipts:					
Use of money and property:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Special assessments	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total receipts	-	-	-	-	-
Disbursements:	-	-	-	181,432	-
Excess (deficiency) of receipts over (under) disbursements	-	-	-	(181,432)	-
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	(65,556)	-	-
Total other financing sources (uses)	-	-	(65,556)	-	-
Net change in cash balances	-	-	(65,556)	(181,432)	-
Cash balances beginning of year	3,497	79,583	65,556	200,000	34,000
Cash balances end of year: unreserved	<u>\$ 3,497</u>	<u>\$ 79,583</u>	<u>\$ -</u>	<u>\$ 18,568</u>	<u>\$ 34,000</u>
Restricted for:					
Streets	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	3,497	79,583	-	18,568	34,000
Unassigned	-	-	-	-	-
Total cash basis fund balances	<u>\$ 3,497</u>	<u>\$ 79,583</u>	<u>\$ -</u>	<u>\$ 18,568</u>	<u>\$ 34,000</u>

See accompanying independent auditor's report.



Dymond Public Safety	DPSC Retaining Wall	Aquatic Improvements 2011	Verona Hills Trail	Walnut Ridge Park	West View Bend Park	Park Master
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,584	79,615	68,127	245,480	19,066	-	-
(5,584)	(79,615)	(68,127)	(245,480)	(19,066)	-	-
-	165,000	450,000	-	-	15,000	-
-	-	-	79,252	-	25,000	-
-	-	-	-	-	-	(173)
-	165,000	450,000	79,252	-	40,000	(173)
(5,584)	85,385	381,873	(166,228)	(19,066)	40,000	(173)
19,076	-	91,400	83,985	31,132	-	173
\$ 13,492	\$ 85,385	\$ 473,273	\$ (82,243)	\$ 12,066	\$ 40,000	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13,492	85,385	473,273	-	12,066	40,000	-
-	-	-	(82,243)	-	-	-
\$ 13,492	\$ 85,385	\$ 473,273	\$ (82,243)	\$ 12,066	\$ 40,000	\$ -

# CITY OF CLIVE

## Schedule of Cash Receipts, Disbursements and Changes in Cash Balances Capital Project Funds

As of and for the year ended June 30, 2011

	Aquatics Trail Connect	Campbell Rec Area	North Neighborhood Park Land	Alice's Road Park	Trail Paving
Receipts:					
Use of money and property:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	250,000	-	-
Special assessments	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total receipts	-	-	250,000	-	-
Disbursements:	4,725	-	423,889	-	-
Excess (deficiency) of receipts over (under) disbursements	(4,725)	-	(173,889)	-	-
Other financing sources (uses):					
Bond proceeds	-	400,000	-	-	-
Operating transfers in	-	-	-	-	50,000
Operating transfers out	-	-	-	(13,523)	-
Total other financing sources (uses)	-	400,000	-	(13,523)	50,000
Net change in cash balances	(4,725)	400,000	(173,889)	(13,523)	50,000
Cash balances beginning of year	140,788	-	323,400	13,523	176,085
Cash balances end of year	<u>\$ 136,063</u>	<u>\$ 400,000</u>	<u>\$ 149,511</u>	<u>\$ -</u>	<u>\$ 226,085</u>
Restricted for:					
Streets	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	136,063	400,000	149,511	-	226,085
Unassigned	-	-	-	-	-
Total cash basis fund balances	<u>\$ 136,063</u>	<u>\$ 400,000</u>	<u>\$ 149,511</u>	<u>\$ -</u>	<u>\$ 226,085</u>

See accompanying independent auditor's report.

Welcome Sign	Com Rec Center	New Library	West W Tower Paint	Wetlands Mitigation- Cownie	Regional Storm	Reg Storm W
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	89,100	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	89,100	-
1,344	-	-	-	9,434	212,892	-
(1,344)	-	-	-	(9,434)	(123,792)	-
-	-	-	-	-	-	-
-	-	-	-	-	155,363	-
-	-	-	-	-	-	(51,177)
-	-	-	-	-	155,363	(51,177)
(1,344)	-	-	-	(9,434)	31,571	(51,177)
2,191	43,613	23,449	43,756	-	(4,395)	46,177
\$ 847	\$ 43,613	\$ 23,449	\$ 43,756	\$ (9,434)	\$ 27,176	\$ (5,000)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
847	43,613	23,449	43,756	-	27,176	-
-	-	-	-	(9,434)	-	(5,000)
\$ 847	\$ 43,613	\$ 23,449	\$ 43,756	\$ (9,434)	\$ 27,176	\$ (5,000)

# CITY OF CLIVE

## Schedule of Cash Receipts, Disbursements and Changes in Cash Balances Capital Project Funds

As of and for the year ended June 30, 2011

	Sewer Rehab	Radio Read Meter System	Walnut Creek Hill Erosion	Sewer Cntrl Plant	118 <sup>th</sup> Street Water Valve
Receipts:					
Use of money and property:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	6,549	-	-
Special assessments	-	-	-	-	-
Miscellaneous	-	-	42,561	-	-
Total receipts	-	-	49,110	-	-
Disbursements:	99,333	211,282	7,156	-	8,600
Excess (deficiency) of receipts over (under) disbursements	(99,333)	(211,282)	41,954	-	(8,600)
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Operating transfers in	100,000	110,000	-	50,000	56,193
Operating transfers out	-	-	(109,186)	-	-
Total other financing sources (uses)	100,000	110,000	(109,186)	50,000	56,193
Net change in cash balances	667	(101,282)	(67,232)	50,000	47,593
Cash balances beginning of year	105,273	232,173	67,232	2,419,227	-
Cash balances end of year	<u>\$ 105,940</u>	<u>\$ 130,891</u>	<u>\$ -</u>	<u>\$ 2,469,227</u>	<u>\$ 47,593</u>
Restricted for:					
Streets	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	105,940	130,891	-	2,469,227	47,593
Unassigned	-	-	-	-	-
Total cash basis fund balances	<u>\$ 105,940</u>	<u>\$ 130,891</u>	<u>\$ -</u>	<u>\$ 2,469,227</u>	<u>\$ 47,593</u>

See accompanying independent auditor's report.

Clive/ USSD Joint Sewer	Boston Parkway Round	Water Tower & 104 <sup>th</sup>	Water Tower & 128 <sup>th</sup>	Douglas Avenue	Ladco/ DOT Project	Woodlands Parkway Pave
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	339,749	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	339,749	-	-	-	-	-
-	65,369	-	-	709,860	-	-
-	274,380	-	-	(709,860)	-	-
-	-	350,000	80,000	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(189,296)	-	-
-	-	350,000	80,000	(189,296)	-	-
-	274,380	350,000	80,000	(899,156)	-	-
74,088	145,420	-	-	1,574,236	12,543	33,303
<u>\$ 74,088</u>	<u>\$ 419,800</u>	<u>\$ 350,000</u>	<u>\$ 80,000</u>	<u>\$ 675,080</u>	<u>\$ 12,543</u>	<u>\$ 33,303</u>
\$ -	\$ 419,800	\$ -	\$ -	\$ 675,080	\$ -	\$ 33,303
74,088	-	350,000	80,000	-	12,543	-
-	-	-	-	-	-	-
<u>\$ 74,088</u>	<u>\$ 419,800</u>	<u>\$ 350,000</u>	<u>\$ 80,000</u>	<u>\$ 675,080</u>	<u>\$ 12,543</u>	<u>\$ 33,303</u>

# CITY OF CLIVE

## Schedule of Cash Receipts, Disbursements and Changes in Cash Balances Capital Project Funds

As of and for the year ended June 30, 2011

	Berkshire Street Lights	NW 142 <sup>nd</sup> Pave/ Storm	111 <sup>th</sup> & Hickman Intersection	Caffrey's 86 <sup>th</sup> Street	NW 86 <sup>th</sup> Revitaliz
Receipts:					
Use of money and property:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ 85,917
Intergovernmental	-	-	331,802	-	893,030
Special assessments	-	-	-	-	44,540
Miscellaneous	-	-	-	-	174,891
Total receipts	-	-	331,802	-	1,198,378
Disbursements:	1,310	12,544	588,817	50,792	3,026,002
Excess (deficiency) of receipts over (under) disbursements	(1,310)	(12,544)	(257,015)	(50,792)	(1,827,624)
Other financing sources (uses):					
Bond proceeds	200,000	-	-	-	-
Operating transfers in	-	-	-	150,000	-
Operating transfers out	-	-	(65,000)	-	(325,000)
Total other financing sources (uses)	200,000	-	(65,000)	150,000	(325,000)
Net change in cash balances	198,690	(12,544)	(322,015)	99,208	(2,152,624)
Cash balances beginning of year	-	-	618,308	-	11,136,937
Cash balances end of year	<u>\$ 198,690</u>	<u>\$ (12,544)</u>	<u>\$ 296,293</u>	<u>\$ 99,208</u>	<u>\$ 8,984,313</u>
Restricted for:					
Streets	\$ -	\$ -	\$ 296,293	\$ 99,208	\$ 8,984,313
Other purposes	198,690	-	-	-	-
Unassigned	-	(12,544)	-	-	-
Total cash basis fund balances	<u>\$198,690</u>	<u>\$ (12,544)</u>	<u>\$ 296,293</u>	<u>\$ 99,208</u>	<u>\$ 8,984,313</u>

See accompanying independent auditor's report.

I-Jobs Street Construction	Franchise Street PJ	Campus Dr./ Mercy Prop.	Municipal Centre	Information System	Development Planning	Public Art- Shuler
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	26,250
-	-	-	-	-	-	-
-	-	-	-	-	-	10,380
-	-	-	-	-	-	36,630
160,332	152	-	-	500	-	43,064
(160,332)	(152)	-	-	(500)	-	(6,434)
-	-	-	-	-	-	-
159,298	326,884	-	-	-	-	-
-	-	-	-	-	-	(1,500)
159,298	326,884	-	-	-	-	(1,500)
(1,034)	326,732	-	-	(500)	-	(7,934)
1,034	-	43,254	97,820	17,021	3,711	59,528
\$ -	\$ 326,732	\$ 43,254	\$ 97,820	\$ 16,521	\$ 3,711	\$ 51,594
\$ -	\$ 326,732	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	43,254	97,820	16,521	3,711	51,594
-	-	-	-	-	-	-
\$ -	\$ 326,732	\$ 43,254	\$ 97,820	\$ 16,521	\$ 3,711	\$ 51,594

# CITY OF CLIVE

## Schedule of Cash Receipts, Disbursements and Changes in Cash Balances Capital Project Funds

As of and for the year ended June 30, 2011

	Public Art- Trail	Emerald Isle/ McNabb	128 <sup>th</sup> Assessments	University Boulevard PH I, II	156 <sup>th</sup> St. Paving
Receipts:					
Use of money and property:					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Special assessments	-	-	10,346	32,279	414
Miscellaneous	3,000	-	-	-	-
Total receipts	3,000	-	10,346	32,279	414
Disbursements:	-	-	-	486	-
Excess (deficiency) of receipts over (under) disbursements	3,000	-	10,346	31,793	414
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Operating transfers in	1,500	-	-	-	-
Operating transfers out	-	(3,949)	(15,894)	-	(462)
Total other financing sources (uses)	1,500	(3,949)	(15,894)	-	(462)
Net change in cash balances	4,500	(3,949)	(5,548)	31,793	(48)
Cash balances beginning of year	-	8,991	22,240	-	435
Cash balances end of year	\$ 4,500	\$ 5,042	\$ 16,692	\$ 31,793	\$ 387
Restricted for:					
Streets	\$ -	\$ -	\$ 16,692	\$ 31,793	\$ 387
Other purposes	4,500	5,042	-	-	-
Unassigned	-	-	-	-	-
Total cash basis fund balances	\$ 4,500	\$ 5,042	\$ 16,692	\$ 31,793	\$ 387

See accompanying independent auditor's report.



Walnut Creek Eros	Intrafund Transfers Elimination	Total
\$ -	\$ -	\$ 85,917
-	-	1,936,480
26,084	-	113,663
-	-	230,832
26,084	-	2,366,892
-	-	6,237,187
26,084	-	(3,870,295)
-	-	1,660,000
-	(545,412)	718,078
-	545,412	(295,304)
-	-	2,082,774
26,084	-	(1,787,521)
-	-	18,089,763
\$ 26,084	\$ -	\$ 16,302,242
\$ -	\$ -	\$ 10,883,601
26,084	-	5,527,862
-	-	(109,221)
\$ 26,084	\$ -	\$ 16,302,242

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**CITY OF CLIVE**

## Schedule of Indebtedness

Year ended June 30, 2011

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Obligation	Date of Issue	Interest Rates	Amount Originally Issued
General Obligation Bonds:			
Essential corporate purpose	Sep 1, 2001	N/A	\$ 4,950,000
Essential corporate purpose	Dec 1, 2002	3.90 - 5.00%	1,575,000
Urban renewal	Jul 1, 2002	3.85 - 4.80%	3,000,000
Essential corporate purpose	Dec 1, 2003	3.35 - 3.90%	2,665,000
Essential corporate purpose	Oct 1, 2004	3.60 - 3.95%	2,330,000
Essential corporate purpose	Aug 1, 2005	4.00 - 4.20%	14,255,000
Urban renewal	Mar 1, 2006	3.60 - 4.25%	9,190,000
Essential corporate purpose	Mar 1, 2006	3.70 - 4.00%	930,000
Essential corporate purpose	Dec 19, 2006	3.75 - 3.90%	1,235,000
Refunding	Mar 4, 2008	3.00%	2,685,000
Urban renewal	Jun 2, 2008	2.85 - 3.85%	7,200,000
Essential corporate purpose	Dec 10, 2009	3.00 - 4.00%	2,715,000
Urban renewal	Dec 18, 2009	2.25 - 3.60%	9,125,000
Refunding	Dec 27, 2010	1.00 - 3.50%	5,520,000
Essential corporate purpose	May 18, 2011	2.00 - 3.375%	2,210,000
Capital Lease:			
Metro Waste Authority	Jun 10, 2008	0.0%	\$ 66,270
Loan:			
City of West Des Moines	Sep 28, 1992	3.975%	\$ 940,000

See accompanying independent auditor's report.

Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid
\$ 3,030,000	\$ -	\$3,030,000	\$ -	\$ 119,870
925,000	-	100,000	825,000	66,237
2,160,000	-	140,000	2,020,000	93,995
1,670,000	-	185,000	1,485,000	59,700
1,520,000	-	195,000	1,325,000	56,078
11,825,000	-	995,000	10,830,000	506,112
8,030,000	-	530,000	7,500,000	328,956
600,000	-	100,000	500,000	26,250
925,000	-	115,000	810,000	39,110
1,680,000	-	540,000	1,140,000	66,000
6,900,000	-	300,000	6,600,000	246,747
2,540,000	-	135,000	2,405,000	43,607
9,125,000	-	300,000	8,825,000	127,536
-	5,520,000	-	5,520,000	51,843
-	2,210,000	-	2,210,000	-
<u>\$50,930,000</u>	<u>\$ 7,730,000</u>	<u>\$ 6,665,000</u>	<u>\$51,995,000</u>	<u>\$1,832,041</u>
<u>\$ 53,016</u>	<u>\$ -</u>	<u>\$ 13,254</u>	<u>\$ 39,762</u>	<u>\$ -</u>
<u>\$ 117,500</u>	<u>\$ -</u>	<u>\$ 47,000</u>	<u>\$ 70,500</u>	<u>\$ 5,984</u>

# CITY OF CLIVE

## Bond Maturities

June 30, 2011

Year Ending June 30,	Essential Corporate Purpose		Essential Corporate Purpose		Urban Renewal Street Improvement		Essential Corporate Purpose	
	Issued December 1, 2003		Issued December 1, 2002		Issued July 1, 2002		Issued October 1, 2004	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount	Interest Rate	Amount
2012	3.35%	\$ 190,000	3.90%	\$ 100,000	3.85%	\$ 145,000	3.60%	\$ 200,000
2013	3.45	195,000	4.00	100,000	4.00	150,000	3.60	205,000
2014	3.50	205,000	4.20	65,000	4.10	160,000	3.60	215,000
2015	3.60	210,000	4.40	70,000	4.15	165,000	3.70	225,000
2016	3.70	220,000	4.60	75,000	4.25	170,000	3.80	235,000
2017	3.80	230,000	4.75	75,000	4.35	180,000	3.95	245,000
2018	3.90	235,000	4.85	80,000	4.45	190,000	-	-
2019	-	-	5.00	85,000	4.55	200,000	-	-
2020	-	-	5.00	85,000	4.65	210,000	-	-
2021	-	-	5.00	90,000	4.70	220,000	-	-
2022	-	-	-	-	4.80	230,000	-	-
2023	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-
Total		<u>\$ 1,485,000</u>		<u>\$ 825,000</u>		<u>\$ 2,020,000</u>		<u>\$ 1,325,000</u>

See accompanying independent auditor's report.

## General Obligation Bonds

Essential Corporate Purpose Issued August 1, 2005		Urban Renewal Street Improvement Issued March 1, 2006		Essential Corporate Purpose Issued March 1, 2006		Essential Corporate Purpose Issued December 19, 2006	
Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
4.00%	\$ 1,030,000	3.60%	\$ 555,000	3.70%	\$ 100,000	3.75%	\$ 120,000
4.00	1,065,000	3.65	575,000	3.75	100,000	3.75	125,000
4.00	1,105,000	3.78	600,000	3.80	100,000	3.75	130,000
4.00	1,150,000	4.00	625,000	3.90	100,000	3.75	140,000
4.00	1,195,000	4.00	650,000	4.00	100,000	3.80	145,000
4.00	1,245,000	4.00	680,000	-	-	3.90	150,000
4.00	1,290,000	4.00	705,000	-	-	-	-
4.125	1,350,000	4.00	735,000	-	-	-	-
4.20	1,400,000	4.10	770,000	-	-	-	-
-	-	4.125	375,000	-	-	-	-
-	-	4.15	395,000	-	-	-	-
-	-	4.20	410,000	-	-	-	-
-	-	4.25	425,000	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
	<u>\$10,830,000</u>		<u>\$ 7,500,000</u>		<u>\$ 500,000</u>		<u>\$ 810,000</u>

# CITY OF CLIVE

## Bond Maturities

June 30, 2011

Year Ending June 30,	Refunding		Urban Renewal		Essential		Urban Renewal	
	Notes		Corporate Purpose		Corporate Purpose 2008A		Corporate Purpose 2008B	
	Issued March 4, 2008		Issued June 2, 2008		Issued December 10, 2009		Issued December 18, 2009	
	Interest		Interest		Interest		Interest	
	Rates	Amount	Rates	Amount	Rates	Amount	Rate	Amount
2012	3.00%	\$ 365,000	2.85%	\$ 300,000	3.00%	\$ 140,000	2.25%	\$ 375,000
2013	3.00	380,000	3.00	680,000	3.00	140,000	2.25	740,000
2014	3.00	395,000	3.50	710,000	3.00	145,000	2.25	755,000
2015	-	-	3.50	735,000	3.00	150,000	2.50	775,000
2016	-	-	3.50	765,000	3.00	155,000	3.00	795,000
2017	-	-	3.50	800,000	3.00	160,000	3.00	820,000
2018	-	-	3.625	830,000	3.125	165,000	3.00	850,000
2019	-	-	3.75	870,000	3.35	170,000	3.10	880,000
2020	-	-	3.85	910,000	3.50	175,000	3.375	910,000
2021	-	-	-	-	3.65	185,000	3.50	945,000
2022	-	-	-	-	3.75	190,000	3.60	980,000
2023	-	-	-	-	3.875	200,000	-	-
2024	-	-	-	-	4.00	210,000	-	-
2025	-	-	-	-	4.10	220,000	-	-
2026	-	-	-	-	-	-	-	-
Total		<u>\$ 1,140,000</u>		<u>\$ 6,600,000</u>		<u>\$ 2,405,000</u>		<u>\$ 8,825,000</u>

See accompanying independent auditor's report.

General Obligation Bonds				
Refunding		Essential		
Issued December 27, 2010		Corporate Purpose		
Issued May 18, 2011				
Interest		Interest		
Rates	Amount	Rates	Amount	Total
1.00%	\$ 335,000	2.00%	\$ 70,000	\$ 4,025,000
1.10	540,000	2.00	130,000	5,125,000
1.25	515,000	2.00	130,000	5,230,000
1.55	520,000	2.00	130,000	4,995,000
1.85	530,000	3.00	135,000	5,170,000
2.20	545,000	3.00	140,000	5,270,000
2.50	555,000	3.00	140,000	5,040,000
2.80	575,000	3.00	145,000	5,010,000
3.10	585,000	3.00	150,000	5,195,000
3.30	600,000	3.00	155,000	2,570,000
3.50	220,000	3.00	165,000	2,180,000
-	-	3.00	170,000	780,000
-	-	3.125	175,000	810,000
-	-	3.250	185,000	405,000
-	-	3.375	190,000	190,000
	<u>\$ 5,520,000</u>		<u>\$ 2,210,000</u>	<u>\$51,995,000</u>

# CITY OF CLIVE

## Schedule of Receipts by Source and Disbursements by Function - All Governmental Funds

For the Last Nine Years

	Years ended June 30,				
	2011	2009	2008	2007	2006
Receipts:					
Property and other City tax	\$11,729,835	\$11,428,288	\$10,901,114	\$10,134,801	\$ 9,444,344
Tax increment financing	4,195,356	3,735,968	3,352,396	2,983,901	3,453,154
Licenses and permits	335,573	332,609	386,665	642,007	701,116
Use of money and property	166,183	222,316	299,494	888,704	1,437,986
Intergovernmental	3,392,709	3,545,909	1,735,198	1,970,336	1,580,906
Charges for service	2,438,831	2,031,004	2,006,195	1,838,629	1,810,794
Special assessments	113,663	19,503	17,218	24,130	85,247
Miscellaneous	523,453	416,135	518,824	477,432	558,247
Total	<u>\$22,895,603</u>	<u>\$21,731,732</u>	<u>\$19,217,104</u>	<u>\$18,959,940</u>	<u>\$19,071,794</u>
Disbursements:					
Operating:					
Public safety	\$ 6,241,338	\$ 5,331,379	\$ 5,179,087	\$ 5,041,841	\$ 4,932,578
Public works	2,821,650	2,658,596	2,357,353	2,183,794	2,122,473
Health and social services	14,088	15,129	13,422	6,488	6,088
Culture and recreation	3,344,056	3,231,043	3,383,011	2,973,047	2,997,471
Community and economic development	2,597,979	2,545,738	2,760,221	2,607,552	3,304,955
General government	2,026,281	2,020,197	2,071,307	2,011,843	1,706,232
Debt service	5,894,802	5,354,770	4,785,709	7,343,549	3,597,458
Capital projects	6,278,543	7,080,585	4,976,673	6,667,267	7,310,584
Total	<u>\$29,218,737</u>	<u>\$28,237,437</u>	<u>\$25,526,783</u>	<u>\$28,835,381</u>	<u>\$25,977,839</u>

See accompanying independent auditor's report.



2006	2005	2004	2003
\$ 8,718,445	\$ 8,512,617	\$ 8,166,807	\$ 7,935,596
3,274,847	2,693,206	1,745,504	1,520,177
666,935	452,787	459,969	471,596
846,498	370,451	276,445	283,524
1,497,564	4,709,376	1,161,110	1,226,520
1,864,912	1,442,860	1,019,304	702,112
540,605	137,366	169,976	471,230
1,135,221	327,805	1,505,355	878,123
<u>\$18,545,027</u>	<u>\$18,646,468</u>	<u>\$14,504,470</u>	<u>\$13,488,878</u>
\$ 4,502,577	\$ 4,245,956	\$ 3,605,032	\$ 3,414,723
1,886,408	1,707,988	1,435,145	1,281,472
17,584	25,369	18,807	23,842
2,740,642	2,606,883	1,989,581	1,666,934
3,130,035	5,141,749	2,159,455	2,125,341
1,681,614	1,593,672	1,505,804	1,123,128
2,482,859	2,175,511	2,890,141	2,626,186
2,758,290	6,554,904	3,712,751	7,861,657
<u>\$19,200,009</u>	<u>\$24,052,032</u>	<u>\$17,316,716</u>	<u>\$20,123,283</u>

## CITY OF CLIVE

## Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

Grantor/Program	CFDA Number	Agency Pass-Through Number	Program Expenditures
Indirect:			
U.S. Department of Transportation:			
Iowa Department of Transportation:			
ARRA - Highway Planning and Construction	20.205	ESP-006-4(152)-2S-77	\$ 582,906
Highway Planning and Construction		STP-U-1425(617)-70-77	690,000
Highway Planning and Construction		STP-A-1425(618)-86-77	253,102
U.S. Department of Transportation:			
Governor's Traffic Safety Bureau			
State and Community Highway Safety	20.600	PAP 10-410, TASK16	4,522
		PAP 10-410, TASK18	3,610
Direct:			
U.S. Department of Justice:			
Bulletproof Vest Partnership	16.607		<u>1,327</u>
Total			<u>\$1,535,467</u>

**Basis of Presentation** - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Clive and is presented in conformity with an other comprehensive basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.



## MARTENS & COMPANY, CPA, LLP

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**Independent Auditor's Report on Internal Control  
over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards**

To the Honorable Mayor and  
Members of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Clive, Iowa as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements listed in the table of contents and have issued our report thereon dated December 8, 2011. Our report expressed unqualified opinions on the financial statements which were prepared in conformity with an other comprehensive basis of accounting. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Clive's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the City of Clive's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Clive's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the accompanying schedule of findings, we identified a deficiency in internal control over financial reporting we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the City of Clive's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in Part II of the accompanying schedule of findings as Item II-A-11 to be a material weakness.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Clive's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under government auditing standards.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2011 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

The City of Clive's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the City's responses, we did not audit the City of Clive's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Clive and other parties to whom the City of Clive may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Clive during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

*Martens + Company, CPA, LLP*

West Des Moines, Iowa  
December 8, 2011



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**Independent Auditor's Report on Compliance with Requirements**  
**Applicable to Each Major Program and on Internal Control over Compliance**  
**in Accordance with OMB Circular A-133**

To the Honorable Mayor and  
Members of the City Council:

Compliance

We have audited the compliance of the City of Clive, Iowa, with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2011. The City of Clive's major federal program is identified in Part I of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its major federal program is the responsibility of the City of Clive's management. Our responsibility is to express an opinion on the City of Clive's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Clive's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Clive's compliance with those requirements.

In our opinion, the City of Clive complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the City of Clive is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered the City of Clive's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Clive's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Clive and other parties to whom the City of Clive may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

*Martens + Company, CPA, LLP*

West Des Moines, Iowa  
December 8, 2011

## **CITY OF CLIVE**

### **Schedule of Findings**

**Year ended June 30, 2011**

#### **Part I: Summary of the Independent Auditor's Results:**

- (a) An unqualified opinion was issued on the financial statements which were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.
- (b) No significant deficiency in internal control over financial reporting is disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major program were noted.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed no audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major program was CFDA Number 20.205 - Highway Planning and Construction.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) The City of Clive qualified as a low-risk auditee.

## CITY OF CLIVE

### Schedule of Findings - Continued

Year ended June 30, 2011

#### **Part II: Findings Related to the Financial Statements:**

##### **INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

##### **SIGNIFICANT DEFICIENCY:**

No matters were noted.

II-A-11     Crossover Refunding - The City obtained new financing for the purposes of conducting a crossover refunding of older bond issues. The City did not reflect on the general ledger the proceeds of the new bond issue, the escrow balance account or the payoff of the 2001 bond issue at its crossover date.

Recommendation - We recommend that procedures be put into place for the City to record all activity of crossover and advance refunding transactions.

Response - The City has subsequent to the year end posted the activity to the general ledger. The City will adopt procedures to insure that activity of all refunding bond issues all reflected on the records of the City.

Conclusion - Response accepted.



## **CITY OF CLIVE**

### **Schedule of Findings - Continued**

Year ended June 30, 2011

#### **Part III: Findings for Federal Awards:**

##### **INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

##### **SIGNIFICANT DEFICIENCY:**

No matters were noted.

## CITY OF CLIVE

### Schedule of Findings - Continued

Year ended June 30, 2011

#### **Part IV: Other Findings Related to Required Statutory Reporting:**

- IV-A-11 Certified Budget - Disbursements during the year ended June 30, 2011 did not exceed the amounts budgeted.
- IV-B-11 Questionable Disbursements - We noted no disbursements for parties, banquets, or other entertainment for employees that we believe may constitute an unlawful expenditure from public funds as defined in an Attorney General's opinion dated April 25, 1979.
- IV-C-11 Travel Expense - No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- IV-D-11 Business Transactions - Business transactions between the City and City officials or employees are detailed as follows.

<u>Name, Title, and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Scott Bass, Public Works	Police Equipment Change Over and Setup	\$ 2,000

In accordance with Chapter 362.5(10) of the Code of Iowa, these transactions do not appear to represent a conflict of interest since the transactions was approved by the city council.

- IV-E-11 Bond Coverage - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- IV-F-11 Council Minutes - No transactions were found that we believe should have been approved in the Council minutes but were not.
- IV-G-11 Deposits and Investments - We noted no instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.